



The Commonwealth of Massachusetts

Office of the Commissioner of Banks

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December 1, 2006

The Division of Banks ("Division") is issuing the following opinion pertaining to whether a bank's participation in the Holocaust Restitution Payment Fee Waiver Program would qualify for consideration under the Community Reinvestment Act.

A few months ago, the Division was asked to assist in any way it could in getting banks to waive fees on funds being sent to World War II Holocaust survivors. As a result of several discussions, the Massachusetts Bankers Association, in cooperation with The American Association of Jewish Holocaust Survivors of Greater Boston, Inc., and The Greater Boston Child Survivor Group, announced that beginning December 1, 2006, participating banks in Massachusetts will voluntarily waive wire transfer fees associated with restitution payments received by Holocaust survivors.

Nearly 3,000 Holocaust survivors reside in Massachusetts. Many of these survivors receive Holocaust reparations or restitution payments from Germany or other European countries as result of their status as victims of the Holocaust. The average age of the recipient is 80 years old, many of whom live on fixed means with low to moderate incomes. The survivors are often charged international wire transfer fees when the funds are transferred to their account. The Holocaust Restitution Payment Fee Waiver Program ("Program") would waive these fees at participating banks.

In light of the Program, the Division has chosen to determine whether a bank's participation would qualify for consideration under the Massachusetts Community Reinvestment Act ("CRA"), General Laws chapter 167, section 14 and its implementing regulation 209 CMR 46.00 et seq. The Division reviewed the applicable CRA regulations for evaluation of this Program under the so-called "service test." The service test evaluates a financial institution's record of helping to meet the credit needs of its assessment area(s) by analyzing both the availability and effectiveness of a financial institution's systems for delivering retail banking services and a community development service is defined as a service that (a) has as its primary purpose community development; (b) is related to the provision of financial services; and (c) has not been considered in the evaluation of the financial institution's retail banking services. See 209 CMR 46.12.



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Based upon the above stated regulatory provisions as well as the information on the Program, the Division would consider a financial institution's participation in the Holocaust Restitution Payment Fee Waiver Program a qualified community development service under the service test of the Commonwealth's CRA statute and regulations.

The conclusions reached in this letter are based solely on the facts presented. Fact patterns which vary from that presented may result in a different position statement by the Division.

Very truly yours,

A handwritten signature in black ink, appearing to read 'S. Antonakes', with a long, sweeping horizontal stroke extending to the right.

Steven L. Antonakes
Commissioner of Banks

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